

**From:** Samantha Beers/R3/USEPA/US  
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**To:** Megan Mackey/R3/USEPA/US; Troy Jordan/R3/USEPA/US@EPA; Chip Hosford/R3/USEPA/US@EPA  
**CC:**  
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nsylvania town fights big gas  
urdle Jon Hurdle Wed Sep 8, 4:02 pm ET

EAGLES MERE, Pennsylvania (Reuters) – In the rush to develop America's biggest new source of domestic energy, one community is fighting to protect its rural way of life from the environmental strains that accompany shale gas drilling.

Residents of this wealthy north-central Pennsylvania vacation community are refusing to lease their land to energy companies scrambling to grab a piece of the Marcellus Shale, a massive natural gas deposit believed to contain enough of the fuel to satisfy total U.S. natural gas demand for 20 years.

Most of the doctors, lawyers and executives who own homes in the resort about 150 miles northwest of Philadelphia are unmoved by offers of lease payments of at least \$2,500 an acre, or by the promise of royalties on gas harvested from what is expected to become America's most productive shale field.

Other U.S. communities have spoken up about the deforestation, air pollution, truck traffic and what they consider ground water contamination that have accompanied shale gas development elsewhere. Residents of Eagles Mere are seeking to stop it from happening in their backyard.

Eagles Mere differs from some other rural communities where economic hardship, particularly among farmers, makes it more likely that landowners accept checks from the energy firms.

"The overwhelming majority of landowners have no desire to lease their land," said Geoff Stoudt, a lawyer and president of the Eagles Mere Association, which owns 220 acres including the lake around which the town is built and its shoreline.

The association this summer turned down a lease offer from Chesapeake Energy Corp, which has sunk 186 Marcellus wells statewide -- most of them in neighboring Bradford County -- and wants to expand production southwards into Sullivan County surrounding Eagles Mere.

Chesapeake spokesman David Spigelmyer denies the company is aggressively seeking additional acreage in Eagles Mere.

But Nancy Liebert, spokeswoman for the Protect Eagles Mere Alliance, said at least 20 landowners and two community groups have recently declined the company's lease offers.

Williams Companies Inc is also seeking to lease land at Eagles Mere and has signed leases in surrounding towns, residents said.

#### SHARP REJECTIONS

Like some other rural communities in shale-gas areas, Eagles Mere residents say they fear becoming an industrial zone like the northeastern Pennsylvania town of Dimock. Residents there have sued

Cabot Oil & Gas, saying it has contaminated water wells, sickened children and hurt real estate prices.

Drillers say fluid containing toxic chemicals -- used in a technique called hydraulic fracturing, or "fracking" -- cannot contaminate aquifers because the two are separated by steel and concrete casings. They also argue that the chemicals are used thousands of feet (meters) below drinking water sources -- too far away to contaminate the water.

Hydraulic fracturing is used for extracting gas from shale about a mile underground.

Over the next decade, the industry is expected to drill at least 30,000 Marcellus wells across Pennsylvania, according to a recent study by Pennsylvania State University, compared with the current total of about 1,800.

Gas company representatives approaching Eagles Mere home owners are likely to be sharply rejected, residents said.

Gail Meyer, a retired school teacher, said she was telephoned in late August by a Chesapeake official who asked if she would lease her land -- less than an acre -- for gas drilling.

"I told him, 'Absolutely not,' and hung up," Meyer said.

Such a lease, Meyer said, would endanger an idyllic rural enclave where her great-grandmother -- whose portrait dominates Meyer's living room -- built a house in 1905 and where her family has spent summers for six generations.

Meyer, 71, is one of about 200 year-round residents, a population that swells to some 3,000 in the summer months when people enjoy the community's lake, where swimming, sailing and kayaking are permitted but power boats and jet-skis are not.

The mile-wide lake is fed only by underground springs, which residents fear could be contaminated by the chemicals used in hydraulic fracturing.

If lake and well water became tainted, property prices would plunge and the community that began in the late 19th century would be finished, residents argue.

The few landowners who have signed leases have generated anger among the majority who have not, residents said. They are now waiting for the local country club to decide whether to lease, and some have threatened to resign if it does.

"There are some things that are just not worth risking," said Bob Spahr, a physician who has been coming to Eagles Mere since 1994 and is now a year-round resident. "The Marcellus Shale is so huge, and there are other opportunities."